

003980

To P.L. Taggart

Date September 21, 1979

From D. Hanson

Subject Grum - Vangorda Mine Model Schedules

A. Grum

A computer based model for the Grum deposit was developed by Kerr-Addison Mines. From this model, an economic ultimate pit was calculated using the following parameters:

1. Mill rate = 1,750,000 Tons/year
2. 4% Pb equivalent cut-off grade (the Pb equivalent grade has a factor for Zn and Ag.)
3. Metal prices of 30¢/lb Pb, 35¢/lb Zn and \$4.50/oz Ag.
4. Pre-production stripping of 20,000,000 tons.

Due to the geometry of the ore body, the economic limits are not sensitive to small changes in metal prices.

The economic pit was then divided into mining phases with the objective of mining the highest grade in the earliest phases. No attempt was made to balance this objective with a desire to smooth out the stripping schedule. Mine volumes and feed grades by phase are located in John Carrington's "Grum GPS" file. J.F. Olk also has a copy of these figures.

As time permits, we will be checking this model and modifying it to conform with C.A.M.C. format.

B. Vangorda

To satisfy the request for mine grades and volumes for this deposit by Mid-December, it is proposed that a preliminary/simplified model be constructed. This would consist of grade sections without geological control.

A rough schedule for the remaining drilling programs and model construction is as follows:

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<u>Task</u>	<u>Start</u>	<u>Complete</u>
1. Finish drilling 100' spacing on sections 2W - 12E		Oct. 15th
2. Drill "H" holes to define potential high-grade, low stripping ratio zone on sections 20E - 30E.	Sept. 30th	Oct. 31st
3. Drill dumpsite/exploration targets down-dip.	Sept. 22nd	Oct. 31st
4. Finish logging and splitting of all core.		Nov. 14th
5. Construction of grade sections 2W - 12E.	Nov. 14th	Nov. 21st
6. Create computer model.	Nov. 21st	Nov. 30th
7. Calculate ultimate pit and produce yearly schedules for mine life.	Nov. 30th	Dec. 14th

cc/ Jim Mustard  
Murray Hampton

*Murray Hampton*  
D.J. Hanson  
~~Exploration~~  
F & D